

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 233

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO PROPERTY EXEMPT FROM TAXATION; AMENDING CHAPTER 6, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-602OO, IDAHO CODE, TO PROVIDE THAT A RENEWABLE ENERGY DEVICE ATTACHED TO RESIDENTIAL PROPERTY SHALL BE EXEMPT FROM TAXATION, TO DEFINE TERMS, TO PROVIDE FOR A LIMITED SUNSET DATE, TO PROVIDE THAT THE EXEMPTION IS NECESSARY AND JUST, TO PROVIDE THAT PROPERTY EXEMPTED UNDER THIS ACT SHALL NOT BE INCLUDED ON ANY NEW CONSTRUCTION ROLL AND TO PROVIDE AN EXCEPTION TO THE LIMITED SUNSET DATE; AMENDING CHAPTER 6, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-602PP, IDAHO CODE, TO PROVIDE THAT CERTAIN ENERGY PROPERTY SHALL BE EXEMPT FROM TAXATION, TO PROVIDE APPLICATION IF THE PROPERTY IS EXEMPT FROM TAXATION BY OTHER LAW, TO PROVIDE APPLICATION, TO PROVIDE THAT THE EXEMPTION IS NECESSARY AND JUST, TO PROVIDE FOR A LIMITED SUNSET DATE, TO PROVIDE THAT PROPERTY EXEMPTED UNDER THIS ACT SHALL NOT BE INCLUDED ON ANY NEW CONSTRUCTION ROLL AND TO PROVIDE AN EXCEPTION TO THE LIMITED SUNSET DATE; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 6, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-602OO, Idaho Code, and to read as follows:

63-602OO. PROPERTY EXEMPT FROM TAXATION – RENEWABLE ENERGY DEVICE ATTACHED TO RESIDENTIAL PROPERTY. (1) For taxable years 2009 through and including taxable year 2018, the following property is exempt from taxation: A renewable energy device attached to residential property installed on and after January 1, 2009, but prior to December 31, 2018. As used in this section "renewable energy device" means any system or mechanism or series of mechanisms using qualified solar electric property expenditure, as defined in 26 U.S.C. 25D, as in effect on January 1, 2009, qualified solar water heating property expenditure, as defined in 26 U.S.C. 25D, as in effect on January 1, 2009, low impact hydro, which means an electric generating facility located on the taxpayer's property utilizing water for the generation of electricity, housed in existing canals or existing reservoirs, and having a power production capacity, wind or geothermal resource, as defined in section 42-4002, Idaho Code, primarily to provide heating, to provide cooling, to produce electrical power, or any combination thereof. The state tax commission or county assessor shall determine the exempt portion pursuant to this section.

(2) The legislature declares this exemption necessary and just.

1 (3) Property exempted under this section shall not be included on any new construction
2 roll prepared by the county assessor in accordance with section 63-301A, Idaho Code.

3 (4) If a taxpayer installs a renewable energy device that meets the requirements of
4 this section from January 1, 2009, through December 31, 2018, the taxpayer shall retain
5 the exemption provided by this section as long as the renewable energy device continues to
6 produce energy and would otherwise qualify under subsection (1) of this section.

7 SECTION 2. That Chapter 6, Title 63, Idaho Code, be, and the same is hereby amended
8 by the addition thereto of a NEW SECTION, to be known and designated as Section 63-602PP,
9 Idaho Code, and to read as follows:

10 63-602PP. PROPERTY EXEMPT FROM TAXATION – FACILITIES QUALIFYING
11 FOR ENERGY CREDIT. (1) For taxable years 2009 through and including taxable year
12 2018, the following property is exempt from taxation: Energy property pursuant to subsection
13 (a)(3)(A)(i), (ii) and (iii) of 26 U.S.C. 48, as in effect on January 1, 2009, low impact hydro,
14 which means an electric generating facility located on the taxpayer's property utilizing water
15 for the generation of electricity, housed in existing canals or existing reservoirs, and having a
16 power production capacity, wind or geothermal resource, as defined in section 42-4002, Idaho
17 Code, primarily to provide heating, to provide cooling, to produce electrical power, or any
18 combination thereof and installed on and after January 1, 2009, but prior to December 31,
19 2018. The state tax commission or county assessor shall determine the exempt portion pursuant
20 to this section. If property exempt pursuant to this section is also exempt from taxation
21 pursuant to another section, the taxpayer must elect which exemption to take. For purposes
22 of this section, an exemption from property tax shall not be allowed if the taxpayer sells the
23 energy produced from the equipment in commerce other than as a credit against a bill from
24 a commercial power supplier.

25 (2) The legislature declares this exemption necessary and just.

26 (3) Property exempted under this section shall not be included on any new construction
27 roll prepared by the county assessor in accordance with section 63-301A, Idaho Code.

28 (4) If a taxpayer installs property that meets the requirements of this section from
29 January 1, 2009, through December 31, 2018, the taxpayer shall retain the exemption provided
30 by this section as long as property continues to produce energy and would otherwise qualify
31 under this section.

32 SECTION 3. An emergency existing therefor, which emergency is hereby declared to
33 exist, this act shall be in full force and effect on and after its passage and approval, and
34 retroactively to January 1, 2009.